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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 1, 1999

THOMAS J. HUTTON
202-828-1892

Internet Address:
thutton@hklaw.com

The Honorable Richard L. Sippel
Chief Administrative Law Judge
Federal Communications Commission
The Portals, Room 1-C864
445 12th Street, S.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL


Re: MM Docket No. 99-153
Status Report

Dear Judge Sippel:

Enclosed per your Order, FCC 99M-70 (released October 29, 1999), are unsigned drafts of a Loan Agreement and Pledge Agreement. A related declaration will be submitted this week.

The names and last known addresses of WTVE employees in the 1989-92 period identified by Adams Communications Corporation will be provided at the same time.

Sincerely,



Thomas J. Hutton

tjh;egw

Enclosures

cc: Harry F. Cole, Esq. (By Hand)
James Shook, Esq. (By Hand)

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041

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (the "Pledge Agreement"), is made effective as of November 13, 1997, among **Henry and Helen K. Aurandt, Tenants by the Entirety** (holder of Reading Broadcasting, Inc., Stock Certificate No. 2A for 17,537 shares); **Henry and Helen K. Aurandt, Pledgors**, (holder of Reading Broadcasting, Inc. [hereinafter "RBI"] Stock Certificate No. 52A for 18,082 shares); **Henry N. Aurandt, M.D., Trustee** (holder of RBI Stock Certificate No. 51A for 4,477 shares); **Henry N. Aurandt, M.D., Trustee for Employee Pension Plan** (holder of RBI Stock Certificate No. 22A for 6,331 shares); Helen K. Aurandt as Attorney-in-Fact for **Helen Kirkpatrick** (holder of RBI Stock Certificate No. 41A for 1,362 shares); and **STV Reading, Inc.**, a Pennsylvania corporation (holder of RBI Stock Certificate No. 29A for 17,674 shares); the address of all of whom is 9 Covington Court, Hilton Head, South Carolina 29928 (hereinafter jointly and severally referred to as "Pledgor"); and **1996 Palmer Associates Limited Partnership**, a Delaware limited partnership, the address of which is 22720 S.E. 410th Street, Enumclaw, Washington 98022 (hereinafter "Pledgee").

RECITAL

Pledgor has entered into an agreement with Pledgee pursuant to which Pledgee has agreed to loan certain sums to Pledgor, and Pledgor has agreed to deliver to Pledgee a *Note* evidencing Pledgor's obligation to Pledgee to repay said loan ("the Debt"). However, Pledgee is unwilling to deliver any sums to Pledgor unless this *Agreement* is executed and delivered by Pledgor to Pledgee.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PLEDGE OF STOCK

Pledgor hereby pledges, grants a security interest in all of the stock now owned or hereafter purchased for or by Pledgor in Reading Broadcasting, Inc., a Pennsylvania corporation, whenever acquired (the "Stock"), and hereby assigns, transfers and sets over to Pledgee all of the Pledgor's right, title and interest in and to such Stock (and in and to such certificates), subordinate to and subject to a senior lien on the Stock in favor of CoreStates Bank, successor-in-interest to Meridian Bank, as security and collateral for the due performance and compliance by Pledgor with all of the terms and provisions of this *Pledge Agreement* and for the payment, when and as due and payable, of any and all of Pledgor's liabilities under that certain *Limited Recourse Note* of even date herewith from Pledgor to Pledgee evidencing the Debt (such *Limited Recourse Note* together with all renewals, modifications, amendments and extensions thereof, and substitutions therefor, hereinafter being referred to as the "*Note*"). Inasmuch as Pledgor is unable to deposit the Stock with an Escrow Agent due to said Stock already being held by the aforesaid Bank in order to protect its senior lien, said assignment by Pledgor to Pledgee shall include a proxy to vote said shares, which proxy shall be coupled with an interest and which shall be irrevocable as long as Pledgor has obligation to Pledgee under the *Note*. The Stock, together with all other securities, proxies and monies at any time pledged, assigned, or granted to Pledgee hereunder, is hereinafter called the "Collateral".

SECTION 2. REPRESENTATIONS AND WARRANTIES.

Pledgor represents and warrants to Pledgee as follows:

(a) *No Conflicting Agreement.* Except for the pledge of the Stock to CoreStates Bank, successor-in-interest to Meridian Bank (the terms of which are familiar to Pledgee), Pledgor warrants that the execution, delivery and performance by the Pledgor of this *Pledge Agreement* and the *Note* will not violate any provision of law now in effect, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Pledgor is a party or by which they or their property is bound or be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation of imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its properties or assets, except as contemplated by the provisions of this *Pledge Agreement*.

(b) *Binding Agreement.* This *Pledge Agreement* constitutes a legal, valid and binding obligation of the Pledgor, enforceable in accordance with the terms hereof.

(c) *Stock Ownership.* As to each share of the Stock at any time pledged or required to be pledged hereunder;

- (i) the Pledgor in whose name such stock is registered is the sole legal and beneficial owner thereof;
- (ii) the Stock is validly issued, fully paid and nonassessable and constitutes the outstanding stock of Company that has been issued to Pledgor.

3. VOTING.

Until Pledgor satisfies the terms of the *Note* to Pledgee, Pledgee or its assign shall have the right to exercise the *Proxy* issued by Pledgor to Pledgee as part of the collateral, provided, however, that the Federal Communications Commission ("Commission"), if required by the *Communications Act of 1934*, as amended, and applicable rules and policies of the Commission, shall have first granted its consent to transfer of control of Company. Notwithstanding any provision of this *Pledge Agreement* to the contrary, neither the Pledgee nor any assign shall be entitled to vote the Stock, or exercise control of Company or its business or operations, without the prior consent of the Commission, if required by the *Communications Act of 1934*, as amended, and applicable rules and policies of the Commission.

4. DIVIDENDS AND OTHER DISTRIBUTION.

As long as it is not in default under the *Note* or this *Pledge Agreement*, the Pledgor shall be entitled to receive directly, and to retain the following: (i) all other or additional (or less) stock or any other securities or property (including, without limitation, cash) paid or distribute in respect to the Stock by way of stock-split, spin-off, split-up, reclassification, combination shares or similar

corporate rearrangement as approved in writing by Pledgee; and (ii) all other or additional stock or other securities or property (including, without limitation, cash) which may be paid or distributed in respect of the collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate reorganization.

5. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events (hereinafter sometimes referred to a "Events of Default") shall constitute a default hereunder:

- (i) If any representation or warranty made by Pledgor shall prove to be false or misleading in any material respect; or
- (ii) If Pledgor fails to pay any sum when due or to perform any of Pledgor's respective obligations under this Pledge Agreement or the Note.

6. REMEDIES UPON DEFAULT

If an Event of Default shall have occurred and be continuing, the Pledgee shall be entitled to exercise, and shall exercise, all of the rights, powers and remedies (whether vested in it by this *Pledge Agreement* or by law or otherwise, including, without limitation, those of a secured party under the Uniform Commercial Code) for the protection and enforcement of Pledgee's rights in respect of the collateral, and the Pledgee shall be entitled, subject to the prior consent of the Commission and CoreStates Bank as senior lienholder, when and as required by law, and without other limitation in such event, to transfer all of the Stock into the name of Pledgee or Pledgee's assign, free and clear of any encumbrance but for the senior lien in favor of CoreStates Bank.

7. REMEDIES CUMULATIVE

Each right, power and remedy of the Pledgee provided for in this *Agreement* or in the *Note* or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee of any one or more of the rights, powers or remedies provided for in this *Agreement* or in the *Note* or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee to exercise any such right, power or remedy shall operate as a waiver thereof.

8. APPLICATION OF MONIES BY THE PLEDGEE.

All money collected upon any sale or sales of the Collateral hereunder, together with all other moneys received by the Pledgee hereunder, shall be applied to the payment of all costs and expenses incurred or paid by the Pledgee in connection with any sale, transfer or delivery of the Collateral or the collection of any such monies (including, with limitation, reasonable attorneys' fees and expenses), and the balance of such moneys shall be held by the Pledgee and applied by it at any time or from time to time to the payment of the Pledgor's liabilities under the *Note* in such order and manner as the Pledgee in its sole discretion may determine.

9. ABSOLUTE PLEDGE

The obligations of Pledgor under this *Pledge Agreement* shall be absolute and unconditional, shall remain in full force and effect without regard to, and (except as provided in Section 13 hereof) shall not be released, suspended, terminated or otherwise effected by any circumstance or occurrence whatsoever, including, without limitation: (a) any renewal, extension, amendment or modification of, or addition or supplement to, or deletion from, the *Note*, or any assignment or transfer of any part thereof; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect to the *Note* or any exercise or nonexercise of any right, remedy, power or privilege under or with respect to such *Note*; (c) any furnishing of any additional collateral or security to the Pledgee or any assignee of either of them or any acceptance thereof or any release of any collateral or security in whole or in part by the Pledgee or any assignee of either of them (d) any limitation on any party's liability or obligations or any invalidity or unenforceability, in whole or in part, of any instrument or any term thereof; (e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Pledgor, or any action taken with respect to such *Note* by any trustee or receiver, or by any court, in any such proceeding.

10. FURTHER ASSURANCES.

Pledgor at its expense shall execute, acknowledge and deliver all such instruments and take all such actions as the Pledgee may reasonably request in order to further effectuate the purposes of this *Pledge Agreement* and to carry out the terms hereof.

11. TRANSFER OF COLLATERAL BY PLEDGEE.

Pledgee may not sell, assign or transfer, all or any part of its interest in the *Note*.

12. DUTIES REGARDING THE COLLATERAL.

Pledgee shall have no duty or obligation to take any steps to protect, preserve or enforce any rights under the Collateral except as set out herein. The Pledgee shall exercise reasonable care in the custody and preservation of the Collateral in its possession to the extent required by applicable statute, and shall be deemed to have exercised reasonable care if it takes such action for that purpose as the Pledgor shall reasonably request in writing; but no omission to do any act so requested by Pledgor shall be deemed a failure to exercise reasonable care. Moreover, Pledgee agrees that it will

subscribe for, purchase and add to the Collateral a sufficient number of shares offered by the Company for sale to the shareholders on a *pro rata* basis so that the Stock held as Collateral shall always represent the same percentage of the total new voting common stock outstanding in the Company as it represented on the date of execution of this *Agreement*. In the event that Pledgee expends funds in the discharge of this *Paragraph 12*, such expenditures shall be added to the principal amount due under the *Limited Recourse Note* and shall bear interest from the date the expense was incurred according to the terms and conditions of said *Note*.

13. TERMINATION AND RELEASE.

Upon the satisfaction of Pledgor's repayment obligations in all respects as specified in the *Note* and this *Agreement*, this *Pledge Agreement* shall terminate and the Pledgee, at the request and expense of the Pledgor, shall execute and deliver to the Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this *Pledge Agreement*, and will duly assign, transfer and deliver to Pledgor such of the Collateral as has not theretofore been sold, otherwise applied or released pursuant to this *Pledge Agreement*, together with any money at the time held by the Pledgee as security hereunder.

15. MISCELLANEOUS.

The following additional terms and conditions apply to the performance of this *Agreement* by the parties:

(A) Either Pledgor or Pledgee may waive or remedy any default in any manner without waiving such default remedied and without waiving any other prior or subsequent default. Either party may waive or delay the exercise of any right or remedy under this *Agreement* without waiving that right or remedy or any other right or remedy hereunder.

No waiver of any of the terms, provisions or conditions hereof shall be effective against either party unless the same is in writing and signed by both parties.

(B) This *Agreement* shall be binding upon, and shall inure to the benefit of, the respective heirs, executors, administrators, successors and assigns of the parties hereto.

(C) Each of the agreements, covenant and warranties on the part of the either Pledgor or Pledgee in this *Agreement* shall be deemed and construed to be on a continuing basis and shall survive the execution and delivery of this *Agreement*.

(D) All notices, demands or requests required or permitted under the terms of this *Agreement* to be given by or to the other party by either party (i) shall be in writing, and (ii) unless and until otherwise specified in a written notice by the respective parties or any of them, shall be sent to the parties at their following respective addresses:

If to the Pledgor: Henry R. Aurandt, M.D.
Helen K. Aurandt
327 Fort Howell Drive
Hilton Head Island, SC 29926

If to the Pledgee: Micheal L. Parker, General Partner
1996 Palmer Associates Limited Partnership
22720 S.E. 410th Street
Enumclaw, Washington 98022

or to such other address as Pledgor or Pledgee may from time to time designate by written notice to the other. Each such notice, demand or request shall be deemed to have been properly served for all purposes if personally delivered or sent by Registered or Certified Mail, return receipt requested, postage prepaid, to its addressee at its address as set forth hereinabove. Each such notice, demand or request so mailed by the Pledgor or Pledgee shall be deemed to have been received by its addressee on the business day after the day of mailing.

(E) This *Agreement* represents the entire agreement of the parties as to the subject, and there exists no other oral or written agreement or understanding which is not of part of this *Agreement* or which shall have any force or effect. This *Agreement* shall not be amended or modified, except by written instrument executed by both parties hereto.

(F) Each section, subsection and lesser section of this *Agreement* constitutes a separate and distinct undertaking, covenant or provision hereof. In the event that any provision of this *Agreement* shall be determined by a court to be unlawful, such provision shall be deemed severed from this *Agreement*, but every other provision of this *Agreement* shall remain in full force and effect.

(G) This *Agreement* shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. The parties agree that this *Agreement* relates to subject matter in Reading, Pennsylvania, and the parties contemplate that performance of the *Agreement* is to occur substantially in the Commonwealth of Pennsylvania. Thus, the parties agree that the sole venue for all actions brought pursuant to this *Agreement* shall be the courts of general jurisdiction for Berks County, Pennsylvania.

(H) Titles at the beginning of paragraphs, subparagraphs, sections and subsections of this *Agreement* are placed there for the convenience of the reader, and are of no force or effect. To the extent that said titles are expressly or impliedly contrary to any provision in this *Agreement*, the terms of the provision and not the title governs the interpretation of this *Agreement*. Pronouns, regardless of gender, shall be interpreted as if they were of the gender of the noun to which they refer.

IN WITNESS WHEREOF, this *Pledge Agreement* is executed in duplicate, with each deemed an original, on day and in the place mentioned above.

HENRY AND HELEN K. AURANDT,
TENANTS BY THE ENTIRETY
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 2A for 17,537 shares)

HENRY AND HELEN K. AURANDT,
PLEDGORS
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 52A for 18,082 shares)

HENRY R. AURANDT, M.D., TRUSTEE
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 51A for 4,477 shares)

HENRY R. AURANDT, M.D., TRUSTEE
FOR EMPLOYEE PENSION PLAN
(holder of Reading Broadcasting, Inc., Stock Certificate
No.22A for 6,331 shares)

HELEN KIRKPATRICK, By Helen K.
Aurandt, pursuant to Power of
Attorney dated _____
(holder of Reading Broadcasting, Inc., Stock Certificate
No.41A for 1,362 shares)

STV READING, INC., a Pennsylvania
corporation
(holder of Reading Broadcasting, Inc., Stock Certificate
No.29A for 17,674 shares)

By _____
Henry R. Aurandt, M.D.
President

1996 PALMER ASSOCIATES LIMITED
PARTNERSHIP

By _____
Micheal L. Parker
General Partner

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "*Loan Agreement*"), is made effective as of November 13, 1997, among **Henry and Helen K. Aurandt, Tenants by the Entirety; Henry and Helen K. Aurandt, Pledgors; Henry N. Aurandt, M.D., Trustee; Henry N. Aurandt, M.D., Trustee for Employee Pension Plan;** Helen K. Aurandt as Attorney-in-Fact for **Helen Kirkpatrick;** and **STV Reading, Inc.**, a Pennsylvania corporation; the address of all of whom is 9 Covington Court, Hilton Head, South Carolina 29928; and **Mary Ethlyn Muir**, whose address is 3 Crab Road, Sequim, Washington 98382 (hereinafter jointly and severally referred to as "Borrower"); and **1996 Palmer Associates Limited Partnership**, a Delaware limited partnership, the address of which is 22720 S.E. 410th Street, Enumclaw, Washington 98022 (hereinafter "Maker").

RECITAL

Maker and Borrower have determined that their respective interests would be served by Maker loaning certain sums to Borrower, which sums may be put to whatever use contemplated by Borrower; and

Maker and Borrower have determined that the foregoing loan appropriately should be evidenced by a *Limited Recourse Note*, which specifically limits the rights of Maker to collect principal and interest due under the loan, as well as a *Pledge Agreement*, which pledges certain stock in Reading Broadcasting, Inc. (hereinafter "RBI"), owned by Borrower which Maker finds sufficient to secure performance of the terms of the loan; and

Maker and Borrower have determined that Maker will loan additional sums to Borrower by purchasing any shares offered by RBI to shareholders on a *pro rata* basis sufficient to maintain the percentage interest each of the several Borrowers have in said Company as of the date of this *Loan Agreement*, which additional shares shall be added to the collateral under the *Pledge Agreement*;

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. LOAN

Maker hereby agrees to make a loan to Borrower in the amount and on the terms set out in the attached *Limited Recourse Note*, which is appended hereto as **Exhibit 1** and the terms of which are incorporated herein by reference as if set out fully herein. Borrower agrees to be bound fully by the terms and conditions set out in aforesaid *Limited Recourse Note*.

2. COLLATERAL FOR LOAN

Borrower agrees to pledge collateral in the form of stock in RBI represented by the following share certificates:

Henry and Helen K. Aurandt, Tenants by the Entirety (holder of Reading Broadcasting, Inc., Stock Certificate No. 2A for 17,537 shares);

Henry and Helen K. Aurandt, Pledgors, (holder of Reading Broadcasting, Inc. [hereinafter "RBI"] Stock Certificate No. 52A for 18,082 shares);

Henry N. Aurandt, M.D., Trustee (holder of RBI Stock Certificate No. 51A for 4,477 shares);

Henry N. Aurandt, M.D., Trustee for Employee Pension Plan (holder of RBI Stock Certificate No. 22A for 6,331 shares);

Helen K. Aurandt as Attorney-in-Fact for **Helen Kirkpatrick** (holder of RBI Stock Certificate No. 41A for 1,362 shares);

Mary Ethlyn Muir (holder of RBI Stock Certificate No. 36A for 2,725 shares and RBI Stock Certificate No. 78A for 1,362 shares)

STV Reading, Inc., a Pennsylvania corporation (holder of RBI Stock Certificate No. 29A for 17,674 shares)

Said pledge shall be in the form set out in a *Pledge Agreement*, which is appended hereto as **Exhibit 2** and the terms of which are incorporated herein by reference as if set out fully herein.

3. PURCHASE OF ADDITIONAL SHARES

Any provision of any other agreement notwithstanding (including without limitation this *Loan Agreement*, the *Limited Recourse Note* or *Pledge Agreement*), Maker agrees that, in the event RBI offers for sale to shareholders generally any additional shares of stock in the Company, Maker shall subscribe for a sufficient number of said shares so as to ensure that Borrowers' respective equity and voting interest in RBI remains the same after the offer of said additional shares is complete as was said respective equity and voting interest prior to said offer. Maker does not warrant that any such additional shares ever will be offered in the future, or that any offers made by the Company will be offered *pro rata* to shareholders generally. Maker agrees that Maker will not purchase shares for its own account, if the effect of such purchase is to reduce the percentage of equity or voting interest of Borrowers, without purchasing shares for Borrower in accordance with this Section.

4. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events (hereinafter sometimes referred to a "Events of Default") shall constitute a default hereunder:

- (i) If any representation or warranty made by Maker or Borrowers shall prove to be false or misleading in any material respect; or
- (ii) If Borrowers fails to pay any sum when due or to perform any of their respective obligations under this *Loan Agreement*, *Pledge Agreement* or the *Limited Recourse Note*.

6. REMEDIES UPON DEFAULT

If an Event of Default shall have occurred and be continuing, the party against whom the breach has been committed shall be entitled to exercise, and shall exercise, all of the rights, powers and remedies (whether vested in it by this *Loan Agreement*, by other agreements or by law or otherwise.

7. MISCELLANEOUS.

The following additional terms and conditions apply to the performance of this *Agreement* by the parties:

(A) Either Maker or Borrower may waive or remedy any default in any manner without waiving such default remedied and without waiving any other prior or subsequent default. Either party may waive or delay the exercise of any right or remedy under this *Loan Agreement* without waiving that right or remedy or any other right or remedy hereunder. No waiver of any of the terms, provisions or conditions hereof shall be effective against either party unless the same is in writing and signed by both parties.

(B) This *Agreement* shall be binding upon, and shall inure to the benefit of, the respective heirs, executors, administrators, successors and assigns of the parties hereto.

(C) Each of the agreements, covenant and warranties on the part of the either Maker or Borrower in this *Loan Agreement* shall be deemed and construed to be on a continuing basis and shall survive the execution and delivery of this *Loan Agreement*.

(D) All notices, demands or requests required or permitted under the terms of this *Loan Agreement* to be given by or to the other party by either party (i) shall be in writing, and (ii) unless and until otherwise specified in a written notice by the respective parties or any of them, shall be sent to the parties at their following respective addresses:

If to the Borrowers:	Henry R. Aurandt, M.D. Helen K. Aurandt 327 Fort Howell Drive Hilton Head Island, SC 29926
----------------------	---

If to the Maker:

Micheal L. Parker, General Partner
1996 Palmer Associates Limited Partnership
22720 S.E. 410th Street
Enumclaw, Washington 98022

or to such other address as the parties may from time to time designate by written notice to the other. Each such notice, demand or request shall be deemed to have been properly served for all purposes if personally delivered or sent by Registered or Certified Mail, return receipt requested, postage prepaid, to its addressee at its address as set forth hereinabove. Each such notice, demand or request so mailed by the parties shall be deemed to have been received by its addressee on the business day after the day of mailing.

(E) This *Loan Agreement* and attachments represent the entire agreement of the parties as to the subject, and there exists no other oral or written agreement or understanding which is not of part of this *Loan Agreement* or which shall have any force or effect. This *Loan Agreement* shall not be amended or modified, except by written instrument executed by both parties hereto.

(F) Each section, subsection and lesser section of this *Loan Agreement* constitutes a separate and distinct undertaking, covenant or provision hereof. In the event that any provision of this *Loan Agreement* shall be determined by a court to be unlawful, such provision shall be deemed severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

(G) This *Loan Agreement* shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. The parties agree that this *Loan Agreement* relates to subject matter in Reading, Pennsylvania, and the parties contemplate that performance of the *Loan Agreement* is to occur substantially in the Commonwealth of Pennsylvania. Thus, the parties agree that the sole venue for all actions brought pursuant to this *Loan Agreement* shall be the courts of general jurisdiction for Berks County, Pennsylvania.

(H) Titles at the beginning of paragraphs, subparagraphs, sections and subsections of this Agreement are placed there for the convenience of the reader, and are of no force or effect. To the extent that said titles are expressly or impliedly contrary to any provision in this Agreement, the terms of the provision and not the title governs the interpretation of this Agreement. Pronouns, regardless of gender, shall be interpreted as if they were of the gender of the noun to which they refer.

IN WITNESS WHEREOF, this *Loan Agreement* is executed in duplicate, with each deemed an original, on day and in the place mentioned above.

HENRY AND HELEN K. AURANDT,
TENANTS BY THE ENTIRETY
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 2A for 17,537 shares)

HENRY AND HELEN K. AURANDT,
PLEDGORS
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 52A for 18,082 shares)

HENRY R. AURANDT, M.D., TRUSTEE
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 51A for 4,477 shares)

HENRY R. AURANDT, M.D., TRUSTEE
FOR EMPLOYEE PENSION PLAN
(holder of Reading Broadcasting, Inc., Stock Certificate
No. 22A for 6,331 shares)

HELEN KIRKPATRICK, By Helen K.

Aurandt, pursuant to Power of
Attorney dated _____
(holder of Reading Broadcasting, Inc., Stock Certificate
No.41A for 1,362 shares)

STV READING, INC., a Pennsylvania
corporation
(holder of Reading Broadcasting, Inc., Stock Certificate
No.29A for 17,674 shares)

By _____
Henry R. Aurandt, M.D.
President

MARY ETHLYN MUIR, PLEDGOR
(holder of Reading Broadcasting, Inc., Stock Certificate
36A for 2,725 shares and Stock Certificate
No. 78A for 1,362 shares)

1996 PALMER ASSOCIATES LIMITED
PARTNERSHIP

By _____
Micheal L. Parker
General Partner